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IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF HAWAII

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In re

HAWAIIAN AIRLINES, INC.  
a Hawaii corporation,

Debtor.

Case No. 03 - 00817  
(Chapter 11)

**ORDER (A) ESTABLISHING A  
PROCEDURE FOR TREATMENT OF  
RECLAMATION CLAIMS AND (B)  
PROHIBITING THIRD PARTIES FROM  
INTERFERING WITH DELIVERY OF  
THE DEBTOR'S GOODS**

This matter coming before the Court on the Motion for Order (A) Establishing a Procedure for Treatment of Reclamation Claims and (B) Prohibiting Third Parties from Interfering with Delivery of the Debtor's Goods (the "Motion"),<sup>1</sup> filed by the above-captioned debtor and debtor in possession (the "Debtor"); the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), (c) venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409, and (d) proper and adequate notice of the Motion and the hearing thereon has been given and that no other or further notice is necessary; and the Court having considered the Declaration of Christine R. Deister in Support of First-Day Motions

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meaning given to them in the Motion.

and Applications; and the Court having considered all evidence and oral arguments of counsel in support of the Motion; and the Court having determined that the legal and factual basis set forth in the Motion establish just cause for the relief granted herein and the Court having determined that the relief sought in the Motion is in the best interest of the Debtor and its estate; and after due deliberation and sufficient cause appearing;

**NOW, THEREFORE, IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED in its entirety.
2. The following procedures, outlined in the Motion for the treatment and processing of reclamation claims, if any, are hereby approved:
  - (a) Any vendor asserting a Reclamation Claim must demonstrate that it has satisfied all requirements entitling it to a right of reclamation under applicable state law and section 546(c)(1) of the Bankruptcy Code;
  - (b) The Debtor will file a Report, on notice to each party in interest, setting forth the asserted Reclamation Claims, and whether the Debtor believes such Claims are valid;
  - (c) Absent further order of the Court, the Report shall be filed by the Debtor within ninety (90) days of the Court's entry of this Order;
  - (d) If the Debtor fails to file the Report within the required period of time, any Reclamation Claimant may bring a motion for allowance of its Reclamation Claim;

- (e) All parties in interest shall have the right and opportunity to file an Objection to the treatment of any asserted Reclamation Claim in the Report within twenty (20) days after such Report is filed; and
- (f) The Reclamation Claims deemed invalid in the Report that are not properly the subject of a timely filed Objection, will be deemed invalid without further order of this Court.

3. The Debtor is hereby authorized, but not directed, to refuse all demands for actual reclamation and return of goods; provided, however, that pursuant to section 546(g) of the Bankruptcy Code, the Debtor is authorized but not directed to return to vendors goods that were delivered in exchange for appropriate credit.

4. Any right of reclamation with respect to any and all Reclamation Claims is hereby denied under the terms set forth in the Motion, effective as of the Petition Date.

5. In accordance with section 362 of the Bankruptcy Code and the Motion, vendors and all other third parties are not permitted to, and are hereby prohibited from, interfering in any way with the postpetition shipment or delivery of goods to the Debtor.

6. Nothing contained herein or in the Motion shall constitute a finding, or be deemed or interpreted to be an admission of any kind, that the Debtor has been, or is currently, insolvent.

7. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

8. Notwithstanding the possible applicability of Bankruptcy Rules 6004(g), 7062, 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

9. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

10. Nothing contained herein or in the Motion shall limit the Debtor's ability to make payments to creditors in accordance with any other orders of this Court.

Dated: Honolulu, Hawaii, MAR 21 2003, 2003.

  
UNITED STATES BANKRUPTCY JUDGE

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In re Hawaiian Airlines, Inc., Chapter 11, Case No. 03-\_\_\_\_\_;  
**ORDER (A) ESTABLISHING A PROCEDURE FOR TREATMENT OF  
RECLAMATION CLAIMS AND (B) PROHIBITING THIRD PARTIES  
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